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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

MUSCLEPHARM CORPORATION,

Debtor.

Case No.: 22-14422-NMC

Chapter 11

Hearing Date: N/A

Hearing Time: N/A

**NOTICE OF FILING FINAL BUDGET IN CONNECTION
WITH FINAL CASH COLLATERAL ORDER**

MusclePharm Corporation, (the “**Debtor**”), the debtor and debtor-in-possession in the above-referenced Chapter 11 case, by and through its counsel of record, Schwartz Law, PLLC, hereby submits the final budget (the “**Final Budget**”) pursuant to paragraph 2 of the *Final Order Regarding Emergency Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364 and Fed. R. Bankr. P. 4001(b) and 4001(d): (I) Authorizing the Debtor to Obtain Postpetition Financing, (II) Granting Senior Secured Liens and Administrative Expense Claims, (III) Determining Adequate Protection, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* [ECF No. 296] (the “**Final DIP Order**”). The Final Budget was approved by the DIP Agent (as defined in the Final DIP Order) on March 23, 2023.

A copy of the Final Budget is attached hereto as **Exhibit 1**.

1 Dated: March 27, 2023.

2 SCHWARTZ LAW, PLLC

3 By: /s/ Samuel A. Schwartz.

4 Samuel A. Schwartz, Esq.

5 Nevada Bar No. 10985

6 Gabrielle A. Hamm, Esq.

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10 *Attorneys for the Debtor*

EXHIBIT 1

| MusclePharm Thirteen-Week Cash Flow Forecast 3/19/2023 | | | | | | | | | | | | | | | |
|---|--------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|---------------|
| Week Ending | 3/19/2023 | 3/26/2023 | 4/2/2023 | 4/9/2023 | 4/16/2023 | 4/23/2023 | 4/30/2023 | 5/7/2023 | 5/14/2023 | 5/21/2023 | 5/28/2023 | 6/4/2023 | 6/11/2023 | | |
| Week # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | | 13-Week Total |
| Factored Receipts¹ | \$ 502,956 | \$ 161,805 | \$ 492,310 | \$ 940,832 | \$ 499,389 | \$ 111,395 | \$ 98,266 | \$ 162,233 | \$ 254,147 | \$ 129,350 | \$ 129,350 | \$ 252,978 | \$ 402,114 | | 4,137,126 |
| COGS | 520,113 | 150,862 | 487,408 | 959,616 | 479,808 | 63,000 | 63,000 | 113,750 | 113,750 | 113,750 | 113,750 | 119,000 | 147,000 | | 3,444,806 |
| Inventory Build | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Total COGS² | \$ 520,113 | \$ 150,862 | \$ 487,408 | \$ 959,616 | \$ 479,808 | \$ 63,000 | \$ 63,000 | \$ 113,750 | \$ 113,750 | \$ 113,750 | \$ 113,750 | \$ 119,000 | \$ 147,000 | | \$ 3,444,806 |
| Shipping & Logistics ³ | 53,662 | 18,295 | 55,663 | 106,297 | 53,176 | 8,100 | 8,100 | 14,625 | 14,625 | 14,625 | 14,625 | 15,300 | 18,900 | | 395,992 |
| Total COGS Including Shipping & Logistics | \$ 573,775 | \$ 169,156 | \$ 543,071 | \$ 1,065,913 | \$ 532,984 | \$ 71,100 | \$ 71,100 | \$ 128,375 | \$ 128,375 | \$ 128,375 | \$ 128,375 | \$ 134,300 | \$ 165,900 | | \$ 3,840,798 |
| SG&A | | | | | | | | | | | | | | | |
| Payroll & Benefits ⁴ | \$ - | \$ 72,776 | \$ - | \$ 56,000 | \$ 4,750 | \$ 56,000 | \$ 4,150 | \$ 63,100 | \$ - | \$ 56,000 | \$ 4,150 | \$ 7,100 | \$ 56,000 | | \$ 380,026 |
| Insurance ⁵ | 85,000 | 19,800 | - | - | 19,800 | - | 19,800 | - | - | - | - | - | - | | 144,400 |
| General & Administrative ⁶ | 10,000 | 10,500 | 10,000 | 10,000 | 47,500 | 4,600 | 2,000 | 2,500 | 4,000 | 2,000 | 2,000 | 2,500 | 41,500 | | 149,100 |
| Securities Counsel ⁷ | - | 25,000 | - | - | - | - | - | - | - | - | - | - | - | | 25,000 |
| Labeling & Testing Costs ⁸ | - | 10,000 | - | - | 10,000 | - | - | - | 10,000 | - | - | 10,000 | - | | 40,000 |
| Board Fees ⁹ | 104,000 | - | 35,250 | - | - | - | - | - | 35,250 | - | - | 35,250 | - | | 209,750 |
| eCommerce ¹⁰ | - | 18,206 | - | - | - | - | - | - | 8,607 | - | - | 16,626 | - | | 43,439 |
| Marketing ¹¹ | - | 15,000 | - | - | 15,000 | - | - | - | 10,000 | - | - | 15,000 | - | | 55,000 |
| Avalara ¹² | 3,340 | 3,115 | - | - | - | - | - | 3,115 | - | - | - | 3,115 | - | | 12,686 |
| Total SG&A¹³ | \$ 202,340 | \$ 174,398 | \$ 45,250 | \$ 66,000 | \$ 97,050 | \$ 60,600 | \$ 25,950 | \$ 68,715 | \$ 67,857 | \$ 58,000 | \$ 6,150 | \$ 89,591 | \$ 97,500 | | \$ 1,059,401 |
| Net Operating Cash Flow | (273,158) | (181,749) | (96,011) | (191,081) | (130,645) | (20,305) | 1,216 | (34,857) | 57,915 | (57,025) | (5,175) | 29,087 | 138,714 | | (763,074) |
| Cumulative Net Operating Cash Flow | (273,158) | (454,907) | (550,918) | (741,998) | (872,643) | (892,949) | (891,732) | (926,590) | (868,674) | (925,699) | (930,874) | (901,788) | (763,074) | | (763,074) |
| Restructuring Costs | | | | | | | | | | | | | | | |
| Company Advisors¹⁴ | | | | | | | | | | | | | | | |
| Schwartz Law | \$ 145,834 | \$ 177,922 | \$ - | \$ - | \$ - | \$ - | 109,200 | \$ - | \$ - | \$ - | \$ - | \$ - | 221,228 | | \$ 654,183 |
| Portage Point | 43,925 | 56,000 | - | - | - | - | 40,000 | - | - | - | - | - | 85,731 | | 225,656 |
| Claims Agent | - | 16,000 | - | - | - | - | 16,000 | - | - | - | - | - | 28,000 | | 60,000 |
| Lender Advisors | | | | | | | | | | | | | | | |
| Empery - Garman Turner Gordon ¹⁵ | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Prestige - Mandelbaum Barrett ¹⁵ | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Prestige Local - Lewis Roca Rothgerber Christie ¹⁵ | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Unsecured Creditor Advisors¹⁴ | | | | | | | | | | | | | | | |
| UCC Counsel (Includes Local) ¹⁶ | 89,768 | 120,000 | - | - | - | - | 76,440 | - | - | - | - | - | 126,059 | | 412,267 |
| Creditor Financial Advisor | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Total Professional Fees¹⁷ | \$ 279,527 | \$ 369,922 | \$ - | \$ - | \$ - | \$ - | \$ 241,640 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 461,018 | | \$ 1,352,107 |
| Other Restructuring Costs | | | | | | | | | | | | | | | |
| Filing Fees | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| Trustee Fees ¹⁸ | - | - | - | 26,806 | - | - | - | - | - | - | - | - | - | | 26,806 |
| Investigation Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Critical Vendors | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Utilities Adequate Assurance | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Total Restructuring Costs | \$ 279,527 | \$ 369,922 | \$ - | \$ 26,806 | \$ - | \$ - | \$ 241,640 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 461,018 | | \$ 1,378,913 |
| Net Cash Flow after Restructuring Costs | (552,685) | (551,670) | (96,011) | (217,887) | (130,645) | (20,305) | (240,424) | (34,857) | 57,915 | (57,025) | (5,175) | 29,087 | (322,304) | | (2,141,987) |
| Cumulative Net Cash Flow after Restructuring Costs | (552,685) | (1,104,355) | (1,200,366) | (1,418,253) | (1,548,898) | (1,569,203) | (1,809,627) | (1,844,485) | (1,786,569) | (1,843,594) | (1,848,769) | (1,819,682) | (2,141,987) | | (2,141,987) |
| Financing¹⁹ | | | | | | | | | | | | | | | |
| DIP Lender Advance | \$ 1,750,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 500,000 | | \$ 2,250,000 |
| Interest Expense | - | - | - | 1,032 | 1,157 | 1,582 | 1,059 | 1,962 | 10,266 | - | - | 9,361 | 18,694 | | 45,113 |
| Total Cash Flow | 1,197,315 | (551,670) | (96,011) | (218,919) | (131,802) | (21,887) | (241,483) | (36,820) | 47,649 | (57,025) | (5,175) | 19,725 | 159,002 | | 62,900 |
| Cumulative Total Cash Flow | 1,197,315 | 645,645 | 549,634 | 330,715 | 198,913 | 177,026 | (64,457) | (101,276) | (53,627) | (110,652) | (115,827) | (96,102) | 62,900 | | 62,900 |
| Starting Cash | \$ 190,551 | \$ 1,387,866 | \$ 836,196 | \$ 740,185 | \$ 521,266 | \$ 389,465 | \$ 367,578 | \$ 126,095 | \$ 89,275 | \$ 136,924 | \$ 79,899 | \$ 74,724 | \$ 94,450 | | \$ 190,551 |
| Change in Cash | 1,197,315 | (551,670) | (96,011) | (218,919) | (131,802) | (21,887) | (241,483) | (36,820) | 47,649 | (57,025) | (5,175) | 19,725 | 159,002 | | 62,900 |
| Ending Cash | \$ 1,387,866 | \$ 836,196 | \$ 740,185 | \$ 521,266 | \$ 389,465 | \$ 367,578 | \$ 126,095 | \$ 89,275 | \$ 136,924 | \$ 79,899 | \$ 74,724 | \$ 94,450 | \$ 253,451 | | \$ 253,451 |

NOTE: Figures shown represent latest estimates and information provided by the Company

1. Assumes first \$1 million of accounts purchased are advanced at 100% with remaining advanced at 80% upon generation of the receivable and the remaining 20% when collected. Excludes inflows from Costco and other outstanding currently outstanding AR

2. COGs assumed to be paid out in same week shipment is made per Company estimates and in line with existing JW Nutritional 48 hour terms

3. Estimate of 9% of total sales based on ship date

4. Inclusive of payroll funding and associated costs, 401k contributions and health insurance

5. Includes D&O and GL insurance payments with Company provided estimates along with contemplated new D&O policy for incoming directors and officers in the week ending 3/19/23

6. Estimate included for general operating expenses

7. Estimated ordinary course securities counsel expenditures for SEC related requirements

8. Estimate provided by management, assumes \$10,000 in each week a shipment occurs with \$10,000 additional to account for potential future needs

9. Payment for existing and new member board fees, week ending 3/19/23 contemplates catch up payments for partial December, January and February, as appropriate, plus March fees. Monthly fees to be paid in advance at the beginning of each month

10. Includes Nova, Shopify and Hubmatrix, all of which are service providers supporting eCommerce capabilities

11. Marketing spend included to support eCommerce and online order efforts for non-wholesale customers

12. Avalara provides sales tax tracking, reporting and payment support. Estimates included monthly filing fees and estimated taxes

13. Forecast excludes audit and SEC filing fees that may be required and are assumed to be paid outside of the forecast period, if necessary

14. Does not constitute agreed fee structure between company and it's professionals and requires board approval for amounts in excess of DIP term sheet

15. All lender advisor fees assumed to be accrued to lender claims and not paid through DIP funding

16. UCC fees inclusive of local counsel and assumed to be 70% of estimated Company counsel fees

17. Unless otherwise noted, restructuring costs based on estimates provided by professionals or based on experience in prior restructuring scenarios

18. Based on total forecasted disbursements and applies the latest US Trustee fee rates

19. Advances, interest and financing costs all based on latest term sheet received from potential DIP lender